

LNF & IHCIF Calculations Illustration

- WINSLOW in Navajo area -

Given Data

- 15,970 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 29% = % Expenditures on purchased services, 71% = % expenditures in-house
- 95.3% = Cost index for purchasing health care in this geographic area
- 95.9% = Size cost index for in-house costs due to small or large size
- 101.9% = Navajo area cost index for health status above or below average

Cost Adjustment Calculations

- \$823 per person for purchased services = $29\% * 95.3\% * \$2,980$
- \$2,030 per person for in-house services = $71\% * 95.9\% * \$2,980$
- \$2,854 per person total = \$823 (purchase) + \$2,030 (in-house)
- **\$2,908 per person total** adjusted for health status = $\$2,854 * 101.9\%$
- **\$2,163 per person net cost** = $\$2,908 - \745 Other resources (M&M&PI)

Existing Expenditures (for 15,970 users excluding wrap-around and collections)

- \$394 per person = local IHS allowance (excludes \$ for wrap-around)
- \$273 per person = expenditures elsewhere in Navajo area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$720 per person for OU users** = $\$394 + \$273 + \$54$

LNF Calculation

- **24.8% Gross LNF** = $\$720$ (expenditures) / $\$2,908$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **33.3% Net LNF** = $\$720 / \$2,163$ net cost ($\$2,908 - \745 other)

IHCIF Allocation

- \$9,224,990 = \$ to raise LNF% from 33.3% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$321,768 Allocation** = $\$9,224,990$ needed for 60% * 3.488% IHCIF fraction

WINSLOW Unmet Needs

- **\$34,549,894 Net Total Need** = $15,970$ users * $\$2,163$ net cost
- **\$23,044,948 Net Unmet Need** = $(100\% - 33.3\% \text{ LNF}) * 15,970$ users * $\$2,163$ net cost